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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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COMMISSIONERS

MIKE GLEASON, Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE

2008 MAY 21 P 3:14

AZ CORP COMMISSION  
DOCKET CONTROL

MAY 21 2008

DOCKETED BY

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IN THE MATTER OF THE APPLICATION OF  
GROOM CREEK WATER USERS ASSOCIATION  
FOR AN INCREASE IN RATES.

DOCKET NO. W-01865A-07-0385

IN THE MATTER OF THE APPLICATION OF  
GROOM CREEK WATER USERS ASSOCIATION  
FOR APPROVAL OF FINANCING AND RATE  
CHANGES.

DOCKET NO. W-01865A-07-0384

PROCEDURAL ORDER

**BY THE COMMISSION:**

On June 25, 2007, Groom Creek Water Users Association ("Applicant" or "Groom Creek") filed with the Arizona Corporation Commission ("Commission") an application for an increase in its water rates.

On the same date, Groom Creek filed an application in Docket No. W-01865A-07-0384 requesting approval for financing.

Between July 9, 2007 and July 18, 2007, Jonathan Hoover, John and Marian Cree, Patty Berry, Mary Turbyfill, Majorie Navarro, Robert Schulz, and Donald Muller filed Motions to Intervene.

On July 25, 2007, the Commission's Utilities Division ("Staff") filed an Insufficiency Letter in Docket No. W-01865A-07-0385.

On August 10, 2007, Staff filed a Letter of Sufficiency in Docket No. W-01865A-07-0385, indicating the Applicant's rate increase application had met the sufficiency requirements as outlined in the Arizona Administrative Code ("A.A.C.").

On August 22, 2007, by Procedural Order, the Motions to Intervene were granted.

On October 2, 2007, Staff filed a Motion for an Extension of Time to file its Staff Report until November 5, 2007, in Docket No. W-01865A-07-0385. No objections to Staff's Motion were filed.

1 On October 29, 2007, Staff filed a Motion to Consolidate the above-captioned matters.

2 On November 30, 2007, by Procedural Order, the two dockets were consolidated and Staff  
3 was granted additional time, until December 17, 2007, to file its Staff Report on the consolidated  
4 dockets and the timeclock in this matter was suspended.

5 On December 3, 2007, Groom Creek filed a copy of a special report sent to all Association  
6 members regarding a major water main break that occurred in October, 2007.

7 On December 14, 2007, Applicant docketed a Response in support of Staff's request for  
8 additional time, and requesting that Staff be given until December 31, 2007, to file its Staff Report.

9 On December 17, 2007, Staff filed its Response to Groom Creek's Letter concurring with the  
10 request for additional time until December 31, 2007, to file its Staff Report.

11 On December 19, 2007, by Procedural Order, Staff was granted additional time, until January  
12 4, 2008, to file its Staff Report.

13 On December 21, 2007, Staff filed a Clarification to Staff's Response to Groom Creek's  
14 Letter. In its filing, Staff requested additional time to file its Staff Report until January 31, 2008,  
15 because the engineering analysis filed by Groom Creek on December 14, 2007, required Staff to issue  
16 more data requests.

17 On December 27, 2007, by Procedural Order, Staff was granted additional time, until January  
18 31, 2008, to file its Staff Report.

19 On January 31, 2008, Staff filed its Staff Report recommending approval of Groom Creek's  
20 application for a permanent rate increase and approval for financing.

21 On February 5, 2008, Staff filed a Notice of Errata to the Staff Report.

22 On February 11, 2008, Groom Creek filed its Response to the Staff Report, objecting to the  
23 recommended base rate increase, as well as other increases recommended by Staff.

24 On February 22, 2008, by Procedural Order, a Procedural Conference was scheduled for  
25 March 5, 2008, to determine whether the matter should continue as a non-hearing item. The  
26 timeclock remained suspended.

27 On March 5, 2008, Staff appeared at the Procedural Conference through counsel, and Mr.  
28 Jerry Hodgson, President of the Board of Directors for Groom Creek appeared on behalf of the

1 Applicant. During the Procedural Conference the parties were given time to discuss settlement of  
2 the issues. After a period, both parties stated that they believed the issues in the case should be  
3 resolved through a hearing. The parties also stated that they believed there were some issues that  
4 might be resolved prior to a hearing in this matter.

5 On March 18, 2008, by Procedural Order, the hearing was scheduled for May 15, 2008.

6 On May 15, 2008, a full public hearing was commenced before a duly authorized  
7 Administrative Law Judge ("ALJ") of the Commission at its offices in Phoenix, Arizona. Staff  
8 appeared through counsel, Mr. Jerry D. Hodgson appeared on behalf of the Applicant, and members  
9 of the public presented public comment. It was determined that additional time was needed to hear  
10 the evidence in this matter and the ALJ continued the hearing until May 22, 2008.

11 On May 21, 2008, a Telephonic Procedural Conference was held with the parties and the  
12 parties requested that the hearing date be reset to help facilitate settlement of the issues. The parties'  
13 request for further continuance of the hearing date is reasonable.

14 IT IS THEREFORE ORDERED that the **hearing in these consolidated matters shall be**  
15 **continued from May 22, 2008, to July 21, 2008, at 10:00 a.m.** or as soon thereafter as is practical,  
16 at the Commission's offices, 1200 West Washington Street, Hearing Room 1, Phoenix, Arizona.

17 IT IS FURTHER ORDERED that **Staff shall file a Supplemental Staff Report and state**  
18 **whether the parties are in agreement with the recommendations set forth in the report on or**  
19 **before July 5, 2008.**

20 IT IS FURTHER ORDERED that **the Applicant shall file a Response, outlining any**  
21 **disagreements with the recommendations contained in the Supplemental Staff Report, on or**  
22 **before July 14, 2008.**

23 IT IS FURTHER ORDERED that the timeclock remains suspended.

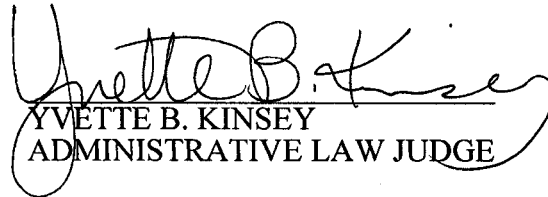
24 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized  
25 Communications) continues to apply to this proceeding.  
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1 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules  
2 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to practice of law and admission *pro*  
3 *hac vice*.

4 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance  
5 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the  
6 Rules of Arizona Supreme Court). Representation before the Commission includes the obligation to  
7 appear at all hearings and procedural conferences, as well as all Open Meetings for which the matter  
8 is scheduled for discussion, unless counsel has previously been granted permission to withdraw by  
9 the Administrative Law Judge or the Commission.

10 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend or waive  
11 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

12 Dated this 21<sup>st</sup> day of May 2008.

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17  
  
YVETTE B. KINSEY  
ADMINISTRATIVE LAW JUDGE

18 Copies of the foregoing mailed/delivered  
19 this 21<sup>st</sup> day of May 2008 to:

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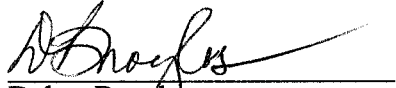
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26 By:

27   
28 Debra Broyles  
Secretary to Yvette B. Kinsey